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December 1, 2008, 12:00 am

# **Power.com: A One-Stop Shop for Social Networkers**

By Claire Cain Miller

<u>Power.com</u>, a Web start-up from Brazil with some prominent backers, aims to become the portal through which people access their online social lives. It's up against no less than the world's biggest Internet companies.



Power.com's investors include the venture capital firm Draper Fisher Jurvetson and Esther Dyson, the technology investor and analyst. It pulls users' social network updates, e-mail, instant messages and contact lists together in one place. After logging in, users see a dashboard that includes information from several sites so they can avoid visiting each site separately. Power.com now accesses Facebook, MySpace, Hi5, Orkut and MSN and plans to add other services.

Many other sites are trying to do similar things. <u>Meebo</u> offers access to multiple instant messaging services, and other start-ups are trying to aggregate social networks. Google, Microsoft and Yahoo also want to make themselves central to people's online social activities.

Power.com is undaunted. "We want to be the center of the world, but we also want to open everything up," said Steve Vachani, the company's chief executive. "We're creating an operating system for all applications for all places."

Mr. Vachani started a virtual currency site, Qool.com, in the late 1990s. He took off to Rio de Janeiro after Qool.com failed during the dot-com bust. A year ago he started Power.com in Brazil; it now has 70 employees.

The site already has 5 million registered users, 3 million of whom visit each month, Mr. Vachani said. Most are in Brazil and India. Until a few weeks ago, Power.com only worked with Orkut, the social network run by Google that has really only caught on outside the United States. But unlike Orkut itself, Power.com lets users send messages to many of their Orkut friends at once, so it quickly became popular on the network.

Mr. Vachani said the focus on Orkut was one reason Power.com had received little media attention so far other than a

few mentions in Portuguese-language blogs. He said he had tried to keep the service under the radar to perfect it before subjecting it to press scrutiny. Starting Monday, Power.com will try to recruit users in the United States.

Ms. Dyson, the founder of EDventure Holdings, said of Power.com: "For a while it was portals and now it's social networks, but in the end, people want the Web to revolve around them, and this helps people aggregate everything around themselves."

Power.com is spreading the word about itself by adding widgets or links on members' social network profile pages, pasting ads on the bottom of messages sent through the service and encouraging users to send invitations to their friends.

The start-up raised \$2 million from angel investors last year and \$6 million from Draper Fisher Jurvetson, the venture capital firm that backed Hotmail and Skype.

Venture capitalists have turned a cold shoulder to new social networks. Many of those still interested in Web 2.0 investments are seeking ways to streamline the social Web.

"We've been looking at this overarching question of where does social networking go in the longer term," said <u>Andreas Stavropoulos</u>, the Draper managing director who led the investment in Power.com. "A lot of properties, like Facebook, MySpace and others, become these islands unto themselves. What we saw in Power was a way of opening up these islands and connecting them."

Once a user enters his or her log-in information for a social network, Power.com accesses the site as if it was the user. Power.com does not have permission from the social networks to use their sites in this way. Mr. Vachani compared it with the way social networks import users' e-mail address books to connect them with their friends, or the way Meebo, also backed by Draper Fisher Jurvetson, accesses users' instant message accounts.

Most of the time Power.com displays the user's social networking pages without changing them, keeping the original advertisements. But in some instances users can read and respond to a message received at one of those sites without actually visiting the site. That could potentially irritate sites that do not want to sacrifice page views.

Mr. Vachani said Power.com would not run afoul of the social networks because it does not lift content from their sites, but instead accesses them after a user voluntarily enters his or her log-in information.

"We're not trying to somehow usurp or suck out users into a competing property," said Mr. Stavropoulos. Instead, Power.com wants to be a dashboard that makes it easier for users to see all their social networks and communications applications, he said.

Power.com plans to sell ads on its home page and on users' dashboards. It will sell certain components — like the instant messaging aggregation and the universal log-in — to Web developers who want to use them on their own sites. Mr. Vachani also hopes to sell systems to big sites that they can operate under their own brand names.

"It's a great idea, and someone needs to do it," said Mr. Stavropoulos. "Whether it will be Power who does it or someone else really depends on who can survive in this market and get financing."

What do you think? Do you need a service that aggregates your social networks, e-mail and instant messaging accounts? Do you already use something like this?

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1. 1. December 1, 2008 1:04 am Link

Some day someone will build figure out a way to unite the social landscape out there into a unified experience, but this ain't it.

The simple fact that any or all of the social networks could block Power.com out with a simple I.P. address block will doom this.

(And I know it's only a matter of time until this is disproven — the rest of the world is getting online at a record pace — but can anyone name a top 100 website in terms of U.S. popularity (not global, U.S.) that was built and managed outside the U.S.? Top 500 even?)

## Peter

http://www.FlashlightWorthyBooks.com

Recommending books so good, they'll keep you up past your bedtime. ;)

- Peter
- 2. 2. December 1, 2008 1:40 am Link

I think that we do need something that aggregates our lives, but Power.com is not it. It is way too limited and is stuck in the advertising model. They are close, but no cigar.

- Shawn Hickman
- 3. 3. December 1, 2008 9:21 am Link

I've been using tabup.com to aggregate my real life. I needed a way to bring together my different groups, viewing them on a dashboard but not necessarily having everything visible to everyone. I have separate tabs for my siblings who live across the country and a church group I belong to. Both of these tabs are private, seen only by tab members.

I like that I can make a tab and put everything for a group in one place—a message board, photo album, shared bookmarks/RSS feeds, calendar, etc. It's a big help for planning projects and get-togethers. The message board beats the back and forth of emails, and the calendar is on the same page as the message board.

- Jane Taylor
- 4. 4. December 1, 2008 9:45 am Link

I'm trying to think of the last time a "one-stop shop" for anything was successful merely by aggregating the successes of others and not actually creating anything new.

The Facebook terms actually do forbid access of their site by the method described in this article, so I'll be surprised how long that lasts. Will you do a follow-up if a message shows up on their site saying they, "regret the misunderstanding with Facebook but are working to get it resolved as soon as possible to continue to provide..."?

What percentage of a social networks' features do they expect to expose through their site to merit the term, "one-stop shop"?

Nick Oliva whereIstand.com

- Nick Oliva
- 5. 5. December 1, 2008 9:46 am Link

Social networking is far from a mature technology, and this is an exciting step forward. Gateway products, whether for instant messaging or email, to bridge proprietary protocols to public protocols are a step toward standardization. With standardization, the power of these networks will grow substantially. Power.com seems to be attempting to create a gateway to allow the proprietary protocols used by multiple social networks to coexist in a single place. Interesting step forward, but very unlikely to be the end of the journey. When all the various services available in social networking (directory, chat, bulletin board, file sharing, email, app development, etc) standardize on public, shared protocols, then we are in for the next leap forward.

- Ben
- 6. 6. December 1, 2008 10:44 am Link

the reason orkut went dismal and dark after a voluptuous honeymoon was/is the amount of Brasilians pointlessly "spamming" in profiles and groups. Now power.com enables what is the least desirable aspect of Orkut? Wrong pedigree.

- Dangme
- 7. 7. December 1, 2008 10:47 am Link

Facebook (or according to power.com, FaceBook?) will kill this as soon as they realize what's going on. As will MySpace. And Orkut (Google). All three of these are advertising-driven, and it's trivial for them to cut off API access for someone trying to clone them and suck out their advertising money.

- *тах*
- 8. 8. December 1, 2008 11:06 am Link

Power has the first-player advantage. It's going to be "it". Even if there are flaws at the moment (not enough aggregated, for Americans no AIM/yahoochat/googletalk, etc) people are still actually going to use it. With at least a core group of users it'll survive. Then Power, like Myspace and Facebook, will undergo changes to make itself more appealing to the general public and number of users will continue to increase. The process is inevitable and so is Power's success. If another player comes in with a feature that differentiates itself enough from Power maybe it can dominate.

But saying that "it isn't time" or "this isn't it" isn't going to suffice. And how is the advertising model not going to make this work? Google, Gmail, Facebook, hell, even the NY Times, uses the advertising model. here's a detailed breakdown... Money = revenue = pays for costs = salaries&research... People are looking for something like this and if Power plays the game right it can be a leader in ... whatever it is you want to call this industry.

- Beijing
- 9. 9. December 1, 2008 11:10 am Link

This is an old idea- a bit like Trillion for the social media. Unfortunately for the VC's backing Power.com ,people prefer different flavors of social networking. Good for spammers though, they can send application invites with ease.

- -Ajay
- 10. 10. December 1, 2008 11:12 am Link

I use a web browser called "Flock" (Currently in 2.0 Beta) which does this all right from the browser interface. I am still going to check out Power.com, but I already have access to what they are trying to do.

- Alan
- 11. 11. December 1, 2008 11:55 am Link

What I really need is a portal that combines my social networking, email, banking, shopping, entertainment and research needs.

Oh wait that's the internet. I will now invent it and solicit venture capital.

- MitchP
- 12. 12. December 1, 2008 12:12 pm <u>Link</u>

Okay, I'm off to work on my aggregator that will combine Meebo and Power.com, placing me and my tiny blog in control of the entire universe.

At least until someone combines that site with whatever other start-up comes along.

http://condalmo.wordpress.com

— Matt

13. 13. December 1, 2008 1:33 pm <u>Link</u>

It seems that Flock or Windows Live will win this space and marginalize this strategy by Power. Eventually Facebook and the rest will willingly partner with Windows Live because they will see how it will actually boost their traffic not siphon it off.

For a video on how the new Windows Live is going to work, check out these two videos:

http://www.commoncraft.com/windows-live

http://video.msn.com/?mkt=en-US&playlist=videoByUuids:uuids:ed82b0bc-81a1-417e-8db6cedad0d078b9&showPlaylist=true&from=msnvideo

— Braden

14. 14. December 1, 2008 5:10 pm Link

With so many social networks, people want to be able to interact with friends regardless of where they are online, so an aggregator that pulls all this together in one place is a valuable tool. Beyond the aggregation, there's also a tremendous opportunity for a people search function that allows users to not only connect, but also find people across the growing number of social networks.

— Jeffrey Tinsley, CEO and Founder of Reunion.com

15. 15. December 1, 2008 6:00 pm Link

From where I sit, part of the answer has to do less with the "martini" side of social things and more with the impact that networking can have on social policy. If the right people - large groups of smart, well-informed people - can get connected in useful, collaborative ways, important policy initiatives can accelerate in ways that will outstrip the slow iteration of formal, governmental policy change.

Energy policy is at the top of my list.

http://tomwitkin.wordpress.com/2008/12/01/where-do-social-networks-go-from-here/

— Tom Witkin

16. 16. December 1, 2008 8:22 pm <u>Link</u>

You don't need to visit another site to have access to these features. Minggl gives you single sign-on and brings these features directly into your favorite browser (IE or Firefox).....and you can tag/categorize your friends across the web, and then use those tags to filter news, communicate in batch, and privatize your photo's/video's

We welcome your feedback at:

http://www.Minggl.com

— Dewey at Minggl

17. 17. December 1, 2008 9:12 pm Link

I think Multiply's concept of this is better than Power. Aggregation plus access controls. I think the investors have their money in the wrong places.

- Social Guru
- 18. 18. December 1, 2008 10:36 pm Link

power . com uses explorer 6 code to access other web sites, which is long out of date. delays in page switching are huge.

- wordmind
- 19. 19. December 2, 2008 10:07 am Link

I believe that the future of social networks aggregation is in open identity systems such as OpenId. The strenght of OpenId is that it is decentralized which means there can be as many providers as providers willing to implement it. The company using OpenId gets rewarded by instantly opening its website to millions of users. On the other hand, the end-user can easily use its unique (Open) ID to connect to yet another social networking website.

- Jonathan at Clavardon.com
- 20. 20. December 2, 2008 10:34 am Link

Maybe they could start by building their website with web standards so that it works in Safari :-(

- *Robert Hilley*
- 21. 21. December 2, 2008 3:06 pm Link

I must say I'm surprised to see such a big-name (Esther Dyson) backing an idea that violates the Seven Laws of Identity by "tricking" people into handing over their social networking login credentials to a third-party.

This is an incredibly dangerous and irresponsible thing to do, and in the long run erodes public trust in the internet. Instead of using O-Auth, Power.com is vulnerable to Phishing and therefore, every additional credential you put in exponentially increases the user to potential identity thefts and attacks.

Shame on these people for putting the digital identities of millions at useless risk. They're not only violating the laws of identity, they're telling the general public to share passwords and develop terrible habits. — Max Cameron

22. 22. December 2, 2008 5:06 pm <u>Link</u>

Portals are dead...look at Yahoo flopping on the floor.

All these "I want to be the central site for \_\_\_\_.com" sites are kaput.

People need to focus on content and specialized services...for select audiences.

— John Bailo

## 23. 23. December 12, 2008 1:19 pm <u>Link</u>

I agree. Centralization wears of after the initial hullababoo. Case in point: igoogle. I ogled at igoogle(pun intended) for the initial two months and after that it started getting boring. People don't want to remain confined in a single 'room', however entertaining it may be.

However, the fractionalization of 'social networking' is a problem to the users. Of course, Power.com or anything to the tunes of it is not the solution; there needs to be something more...GoogleTalk-LiveMail-ish to work out.

— Runil Wazlib

## 24. 24. December 13, 2008 7:57 pm <u>Link</u>

With screens getting smaller (more people moving to "pursable" internet devices), all-on-one-page aggregators are going to choke. Even worse if they need to show ads.

The average active online person probably likes to have 20 interfaces immediately and constantly available (email, calendar, banking, stocks, news-reader, RSS, own-page, company page, project manager, facebook, linkedin, myspace, twitter, friendfeed, 5 blogs, ebay, skype, IM, sport/sex, meetups, music, photos, youtube, webcam, word, spreadsheet, paint, site-builder or blog-writer, 5 sites noticed and left for intermittent reading, shopping).

If you function in 2 languages, maybe you need a few more.

It's fairly easy using say 3 open Firefox screens and 10 tabs per screen. And that gives you the full web-page in each case plus refreshes your visual horizon from time to time. Plus it's nice to finger-walk around a bit. OK if you're social-siting a lot why not try a minggl or whatever, but you still need the rest.

So maybe difficult to switch on the power.com unless you have Brasil's particular situation of a big local Orkut population and a lot now wanting to have Facebook too for the global reach.

As for the VCs, I initially suspected they were on some other region-specific trip. But it's probably a cool deal anyway; there's got to be a \$20m flip potential to some wannabe local mogul later in the game, just for the combined social address bases plus buddy status with big name VC players hungry for new pastures.

It's a good deal, folks. Doesn't need a US angle except for image and hype.

Cheers

Mike Harrop info

info@harrop.info

— Mike Harrop

## 25. 25. December 19, 2008 9:31 pm Link

The idea is excellent. I don't believe they need a strong presence in the US to be successful. What i believe is that they have to be and stay innovate. It's not like their idea can't be started by someone else who who can make it far more exciting. Look at Friendster you would thing they would be the God of social networking platform but Myspace is because it was far more innovative and continued to do so. Anyone remember Quark Express where are they now!? My point is Innovation wins not good ideas. Your idea can always be taken by someone else or a competitor and made better. I suggest that Power.com get it together creatively. I agree Orkut has a strong following but it is not innovating. Not to mention it is a fact that Google has the habit of leaving their products on beta almost forever.

Pierre Rene "The Bedazler" TheBedazler.com

— Bedazler

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blogs.law.harvard.edu

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## — Rush Arrington

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"Twitter is all about total transparency. Hacking and consequent leakage of information is a business risk associated with the business model of Twitter."

## — K.R.Srivarahan

Twitter and TechCrunch Joust Over Stolen Documents

"YouTube does need to increase revenues. There are other ways. One is selling contextual products and services around the video content. Charge for upload, and YouTube won't be the same again."

## — Ashish

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"You can watch a lot of movies and TV shows online for free from non-official sources. The page it links to looks exactly like one of these non-official sources, so it seems a little silly to call it a 'barely credible Harry Potter page."

## <u>— Ashley</u>

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